

S.R. 232 - By Clower: Extending congratulations to Camp Fire Girls, Garland.

S.R. 233 - By Clower: Extending welcome to Sharla Ferguson and Joan Self.

S.R. 234 - By Clower: Extending congratulations to Betsy Smith.

S.R. 235 - By Clower: Extending congratulations to Skipper Smith.

S.R. 236 - By Clower: Extending congratulations to Elizabeth Clower.

S.R. 237 - By Clower: Extending congratulations to Dana Ward.

S.R. 238 - By Clower: Extending congratulations to Valerie Thompson.

ADJOURNMENT

On motion of Senator Patman the Senate at 1:06 o'clock p.m. adjourned until 11:00 o'clock a.m. tomorrow.

APPENDIX

Sent to Governor

(March 13, 1979)

S.B. 547

Sent to Comptroller

(March 13, 1979)

S.B. 126

Signed by Governor

(March 13, 1979)

S.C.R. 34

THIRTY-SIXTH DAY

(Wednesday, March 14, 1979)

The Senate met at 11:00 o'clock a.m., pursuant to adjournment, and was called to order by the President.

The roll was called and the following Senators were present: Andujar, Blake, Braecklein, Brooks, Doggett, Farabee, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Parker, Patman, Price, Santiesteban, Schwartz, Short, Snelson, Traeger, Truan, Vale, Williams.

Absent-excused: Clower, Creighton.

A quorum was announced present.

Chaplain Gerald Mann, University Baptist Church, Austin, offered the invocation as follows:

Our Father, before we are convinced by the arguments we hear today, remind us that there never was a devil who didn't advise folks on how to stay out of Hell. Amen.

On motion of Senator Moore and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal was approved.

LEAVES OF ABSENCE

Senator Clower was granted leave of absence for today on account of important business on motion of Senator Doggett.

Senator Creighton was granted leave of absence for today on account of important business on motion of Senator McKnight.

CO-AUTHOR OF SENATE BILL 383

On motion of Senator Moore and by unanimous consent, Senator Williams will be shown as Co-author of S.B. 383.

CO-AUTHORS OF SENATE BILL 78

On motion of Senator Schwartz and by unanimous consent, Senators Longoria and Parker will be shown as Co-authors of S.B. 78.

REPORTS OF STANDING COMMITTEES

Senator Snelson submitted the following report for the Committee on Intergovernmental Relations:

H.B. 598
S.B. 675
S.B. 744
S.B. 581

Senator Jones of Harris submitted the following report for the Committee on Administration:

C.S.S.B. 93 (Read first time)

Senator Farabee submitted the following report for the Committee on Jurisprudence:

H.B. 648
H.B. 588
S.B. 322
S.B. 640
S.B. 254
S.B. 611 (Amended)

C.S.S.B. 421 (Read first time)
C.S.S.B. 394 (Read first time)

Senator Brooks submitted the following report for the Committee on Human Resources:

C.S.S.B. 277 (Read first time)

Senator Mauzy submitted the following report for the Committee on Education:

H.C.R. 60
S.B. 562 (Amended)
S.B. 638
S.B. 354 (Amended)
S.B. 110
S.B. 736
S.B. 275
C.S.S.B. 214 (Read first time)

BILL AND RESOLUTION SIGNED

The President announced the signing in the presence of the Senate, after the caption had been read, the following enrolled bill and resolution:

S.B. 158 (Signed subject to Sec. 49a,
Article III, Constitution of
State of Texas)
H.C.R. 110

SENATE RESOLUTION 241

Senator Truan offered the following resolution:

WHEREAS, The Citizens of Texas are extremely proud of one of the state's most prominent physicians and distinguished citizens, Dr. Hector Perez Garcia, of Corpus Christi; Dr. Garcia is being honored by the American G. I. Forum at the Founder's Day banquet on March 16, 1979; and

WHEREAS, Hector Perez Garcia, the son of Jose Garcia and Mrs. Faustina Perez Garcia, was born in Llera, Mexico, on April 17, 1914; in 1918 his family fled a revolution and came north to settle in Mercedes, Texas, where he was graduated from high school and attended Edinburg Junior College; and

WHEREAS, He attended The University of Texas at Austin and was graduated from The University of Texas School of Medicine in 1940; he did his general and surgical internships at St. Joseph's Hospital at Creighton University in Omaha, Nebraska; and

WHEREAS, This dedicated American served for four yers during World War II as an infantry officer in the African Invasion, and in Italy, Southern France, and Germany, coming out of the war with the rank of major and receiving the Bronze Star Medal with six battle clusters; and he also served as a member of the Corps of Engineers, the Medical Corps, and in the Major Medical Corps in the European Theater of Operations; and

WHEREAS, On June 23, 1945, Dr. Garcia married the lovely Wanda Fusillo, and they are the proud parents of three daughters: Daisy Wanda, Adriana Cecilia, and Susana Patricia; and

WHEREAS, Following his return from the war, Dr. Garcia organized, on March 26, 1948, the Corpus Christi branch of the American G. I. Forum, a veterans' group composed of Mexican-Americans interested in discussing ways to abolish discriminatory practices among the returning Mexican-American veterans; in 1952, he was awarded the "Medalla al Merito" by the American G. I. Forum of Texas for his meritorious work among Mexican-Americans and served as the first national chairman of the board of the American G. I. Forum of the United States; and

WHEREAS, In 1949, Dr. Garcia was chosen the outstanding Latin American citizen of the Alba Club of The University of Texas and also served as the president of the International Radio Company in Corpus Christi; and

WHEREAS, He has contributed greatly to many worthwhile civic organizations: he was on the Democratic National Committee in 1954, and served as chairman of the Mexican Spanish section, nationalities division, of the Democratic National Committee in 1960; he was national coordinator and organizer of the "Viva Kennedy" Clubs in 1960, was national president of the Political Association of Spanish Speaking Organization from 1960 to 1964; and

WHEREAS, Dr. Garcia participates in a number of professional organizations: he is a member of the American Medical Association, the Texas Medical Association, the Nueces County Medical Society, and the National Rehabilitation Association; and

WHEREAS, As a man of deep religious convictions, he is a faithful member of the Parish of St. Patrick's Catholic Church and the Knights of Columbus; he has served as vice-president of the Catholic Council for Spanish-speaking people in the Southwest, and served on the board of trustees of Incarnate Word Academy in Corpus Christi; he was awarded the outstanding citizen award in 1960 by the United Married Couples; and

WHEREAS, This exemplary and well-loved gentleman has received many honors for his years of service to his fellowman: in 1955, he received the bronze plaque, "Democracy Forward," by the Texas Council Negro Organization in Austin; the Veterans of Foreign Wars, Post 8931, awarded Dr. Garcia a bronze plaque in 1965; he was awarded the Condecoracion of "Vasco Nunez de Balboa" by the Republic of Panama; he received the Marine Plaque from the 8th Marine Corps District in 1967 in recognition of funeral services he performed honoring returned Vietnam casualties; he was honored with the Cancer Society Award for ten years of service; he was presented the Distinguished Service Award by Catholic War Veterans of the United States; and, in 1969, he received the Humanitarian Award presented by the Corpus Christi Chapter of the NAACP; and

WHEREAS, In 1973, The Harvard Civil Rights Law Journal dedicated a report to Dr. Garcia "in recognition of his relentless efforts spanning 25 years to eradicate Chicano school segregation in Texas"; and

WHEREAS, He recognized the importance of education for Mexican-Americans in order that they might achieve their fullest potential and become stronger citizens, contributing their talents for the betterment of the nation; and

WHEREAS, In addition to grants from the United States Department of Labor, which aid both Mexican-American and Anglo Veterans in obtaining a full education and employment benefits, the American G. I. Forum sponsors a scholarship program offering aid such as that granted to Senator Carlos Truan during his school term at Texas A & I; and

WHEREAS, In addition to the civic and professional responsibilities he has so ably fulfilled, Dr. Garcia has been called on by United States presidents to represent this country in various capacities: President John F. Kennedy appointed him to the American delegation to sign the Mutual Defense Area

agreement between the United States and the West Indies, and he was appointed by President Lyndon B. Johnson as special ambassador to the inauguration of Dr. Raul Leoni as President of Venezuela; and

WHEREAS, President Johnson also appointed Dr. Garcia to membership on the national Advisory Council on Economic Opportunity and as an alternate delegate to the United Nations with the rank of ambassador in 1967; he accompanied Vice-President Hubert Humphrey to Mexico City for the signing of the Treaty of Tlatelolco and was chosen as a member of the United States National Commission for the United Nations Educational Scientific and Cultural Organization in 1968; and

WHEREAS, In 1977, President Jimmy Carter appointed Dr. Garcia to the United States Circuit Judge Nominating Commission for the Western Fifth Circuit Panel; and

WHEREAS, Dr. Garcia was appointed delegate by President Carter to the Tax and Economic Program held in Washington D.C.; and

WHEREAS, This remarkable public servant has served as a commissioner and as a member of the Texas Advisory Committee of the United States Commission on Civil Rights, and he served as a board member of the American Red Cross during Hurricane Celia in 1970; and

WHEREAS, It is appropriate that the Texas Senate recognize the many years of inspiring leadership and tireless devotion of Dr. Garcia and congratulate him on his significant accomplishments in many fields; now, therefore, be it

RESOLVED, That the Senate of the 66th Legislature of the State of Texas commend Dr. Hector Perez Garcia for his distinguished citizenship and congratulate him on being honored by the American G. I. Forum at the Founder's Day banquet on March 16, 1979; and, be it further

RESOLVED, That an official copy of this resolution be prepared for Dr. Garcia as a token of highest regard and best wishes from the Texas Senate in appreciation for his many achievements in public service and community involvement as well as in his outstanding professional career.

The resolution was read and was adopted.

MESSAGE FROM THE HOUSE

House Chamber
March 14, 1979

HONORABLE W. P. HOBBY
PRESIDENT OF THE SENATE

SIR: I AM DIRECTED BY THE HOUSE TO INFORM THE SENATE THAT THE HOUSE HAS PASSED THE FOLLOWING:

HCR 71, Memorializing Congress to oppose the recommendations of the United States Department of Transportation which call for curtailing passenger train service in Texas.

The House has granted the request of the Senate for the appointment of a Conference Committee on Senate Bill No. 387.

House Conferees: Grant - Chairman; Evans, Salinas, Laney, Coleman

S.C.R. 33 Expressing appreciation to the Texas Congress of Parents and Teachers for the service rendered in behalf of the children of this state.

Respectfully,

BETTY MURRAY, Chief Clerk
House of Representatives

NOTICE OF CONSIDERATION OF NOMINATIONS

Senator McKnight gave notice that he would tomorrow (at the conclusion of Morning Call) submit to the Senate for consideration nominations to agencies, boards and commissions of the State.

SENATE BILLS AND RESOLUTION ON FIRST READING

On motion of Senator Schwartz and by unanimous consent, the following bills and resolution were introduced, read first time and referred to the Committee indicated:

S.B. 1141 by Schwartz Natural Resources
Relating to uranium surface mining and reclamation.

S.B. 1142 by Truan Jurisprudence
Relating to court procedure in certain traffic cases.

S.B. 1143 by Truan Jurisprudence
Relating to attending rehabilitation programs as a condition of probation for persons convicted of driving while intoxicated.

S.B. 1144 by Doggett State Affairs
Relating to the purchase of services for state agencies.

S.B. 1154 by Schwartz, Brooks Intergovernmental Relations
Vesting the Clear Lake City Water Authority (the "Authority") with solid waste collection and disposal powers, parks and recreational facility powers, fire-fighting and fire prevention powers, the power, under Article III, Section 52 of the Constitution of the State of Texas, to issue bonds secured by taxes and levy and collect such taxes for road construction, maintenance and operation after the approval at an election by two-thirds of qualified electors who vote; the power, under Article III, Section 52 of the Constitution of the State of Texas to levy and collect a road maintenance tax; the power to issue bonds and levy, assess and collect ad valorem taxes for any of its purposes after approval at an election; the power to levy, assess and collect a maintenance tax for any of its purposes; providing for emergency medical services; providing for review and approval of the bonds of the Authority; empowering the Authority to establish fees for its services; permitting expansion of the Board of Directors; enabling the Authority to enact and enforce reasonable rules and regulations; permitting the Authority to issue refunding bonds; requiring the approval at an election before the Authority may issue revenue bonds; providing a severability clause; finding public benefit; requiring liberal construction; containing other provisions; finding compliance with requirements of Article XVI, Section 59 of the Constitution of the State of Texas; and declaring an emergency.

S.B. 1155 by Schwartz, Brooks Intergovernmental Relations
Relating to allocation of governmental services and a corresponding apportionment of ad valorem taxes between certain cities and certain districts

vested with powers under both Article XVI, Section 59, and Article III, Section 52, of the Texas Constitution; authorizing contracts between such districts and such cities with respect to common areas and with respect to such allocation and apportionment; containing provisions relating to performance of services, approval of contracts, liability, contractual indemnity, district rules and regulations, and disannexation; providing that this Act shall be cumulative but that such districts and cities shall be governed solely by this Act in certain respects; containing findings and other provisions relating to the subject.

S.C.R. 52 by Traeger

Administration

Granting Motorola, Inc., permission to sue the State of Texas.

HOUSE BILLS ON FIRST READING

The following bills received from the House were read the first time and referred to the Committee indicated:

H.B. 354, To Committee on Jurisprudence.

H.B. 42, To Committee on Intergovernmental Relations.

H.B. 34, To Committee on Intergovernmental Relations.

SENATE CONCURRENT RESOLUTION 53

Senator Schwartz offered the following resolution:

WHEREAS, A legendary figure of the 20th Century and one of the greatest scientists in the history of Mankind, Albert Einstein was born on March 14, 1879, in Ulm, Germany, and the 100th anniversary of his birth will be celebrated this year by special events and observances throughout the world; and

WHEREAS, In 1922, Albert Einstein received the Nobel Prize in Physics for his analysis of the photoelectric effect, which significantly influenced later work in Quantum Theory and led to technological applications in spectroscopy, television, and the laser; and

WHEREAS, The achievement for which he is most renowned is his formulation of the Special Theory of Relativity and the General Theory of Relativity, which are monumental triumphs of the human intellect and stand today basically unshaken by new findings; and

WHEREAS, In 1933, Professor Einstein fled Nazi Germany and accepted a position with the Institute for Advanced Study in Princeton, New Jersey, and subsequently became a naturalized citizen of the United States; and

WHEREAS, As World War II approached, he became concerned that Germany might be able to harness the chain reaction for development of nuclear weapons and, at the request of other scientists, wrote President Roosevelt expressing this concern; and

WHEREAS, This historic letter was the precursor of the Manhattan Project and the first atomic bomb explosion at Alamogordo, and the author, an ardent pacifist, became the reluctant father of the Atomic Age; and

WHEREAS, Professor Einstein spent his later years working on a Unified Field Theory, which would bridge Relativity and Quantum Theory by explaining gravitation, electromagnetism, and subatomic phenomena in one set of cosmic laws; and

WHEREAS, A very unpretentious man, he possessed great humility and compassion, and freely gave of his valuable time and energy to many who sought his counsel and help; and

WHEREAS, Friedrich Schleiermacher's poetic tribute to Dutch philosopher Baruch Spinoza has aptly been applied to Professor Einstein by others: "The infinity was his beginning and his end, the Universe his only and everlasting love. In holy innocence and deep humility he beheld himself mirrored in the eternal world, and perceived how himself was its most amiable mirror....Wherefore he stands there, alone and unequaled, a master of his art, but sublime above the profane rabble, a peerless beacon forever."; now, therefore, be it

RESOLVED by the Senate of the State of Texas, the House of Representatives concurring, That the 66th Legislature hereby commemorate the 100th anniversary of the birth of Albert Einstein and honor the life and achievements of this great scientist and extraordinary man.

The resolution was read.

On motion of Senator Traeger and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereto.

On motion of Senator Schwartz and by unanimous consent, the resolution was considered immediately and was adopted by a rising vote of the Senate.

COMMITTEE SUBSTITUTE SENATE BILL 18 ON SECOND READING

On motion of Senator Doggett and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

C.S.S.B. 18, Relating to regulation of certain practices of county mutual insurers; amending Article 17.22, Insurance Code, as amended; and repealing Section 12, Article 17.25, Insurance Code.

The bill was read second time and was passed to engrossment.

COMMITTEE SUBSTITUTE SENATE BILL 18 ON THIRD READING

Senator Doggett moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **C.S.S.B. 18** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Clower, Creighton.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0.

Absent-excused: Clower, Creighton.

SENATE BILL 771 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 771, Relating to special license plates for members of the state military forces.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Amending SECTION 1, added Section 5e.3. Subsection (a) to read as follows:

Sec. 5e.3. (a) The Department shall design and provide for the issuance of special plates for passenger cars and light commercial motor vehicles having manufacturers' rated carrying capacities of one (1) ton or less, that are owned by members in good standing of the State Military Forces. In this Section, "State Military Forces" has the meaning assigned by Section 1, Article 5765, Revised Civil Statutes of Texas, 1925, as amended. The license plates shall be inscribed with the words "Texas Guard."

The amendment was read and was adopted.

On motion of Senator Williams and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

SENATE BILL 771 ON THIRD READING

Senator Williams moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 771** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 1.

Yeas: Andujar, Blake, Braecklein, Brooks, Doggett, Farabee, Harris, Jones of Harris, Jones of Taylor, Kothmann, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Parker, Patman, Price, Santiesteban, Schwartz, Short, Snelson, Traeger, Truan, Vale, Williams.

Nays: Howard.

Absent-excused: Clower, Creighton.

The bill was read third time and was passed.

RECORD OF VOTE

Senator Howard asked to be recorded as voting "Nay" on the final passage of the bill.

SENATE BILL 629 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 629, Relating to vehicle registration and license plates for medal of honor winners.

The bill was read second time and was passed to engrossment.

SENATE BILL 629 ON THIRD READING

Senator Williams moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 629** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 1. (Same as previous roll call)

The bill was read third time and was passed.

RECORD OF VOTE

Senator Howard asked to be recorded as voting "Nay" on the final passage of the bill.

SENATE BILL 288 ON SECOND READING

On motion of Senator Mengden and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 288, Relating to charges and fees of certain water control and improvement districts and municipal utility districts.

The bill was read second time and was passed to engrossment.

SENATE BILL 288 ON THIRD READING

Senator Mengden moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 288** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Clower, Creighton.

The bill was read third time and was passed.

COMMITTEE SUBSTITUTE SENATE BILL 486 ON SECOND READING

On motion of Senator Jones of Harris and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

C.S.S.B. 486, Relating to regulation of persons who engage in structural pest control; amending the Texas Structural Pest Control Act, as amended (Article 135b-6, Vernon's Texas Civil Statutes), by adding Subdivisions (8) and (9) to Subsection (b) of Section 2; by amending Subsections (a) and (c) of and adding Subsection (f) to Section 3; by adding Subsections (e) and (f) to Section 4; by amending Section 5; by amending Subsections (a) and (b) of Section 6; by amending Subsections (a), (b), (c), and (d) of and adding Subsection (f) to Section 7; by amending Section 7A; by amending Subsections (a) and (c) of Section 10A; by adding Section 11B; and by repealing Section 6A.

The bill was read second time.

Senator Jones of Harris offered the following amendment to the bill:

Amend **C.S.S.B. 486** by striking Subdivision (9) of Section 1 and Subsection (a) of Section 6 and substituting in lieu thereof the following:

“(9) ‘Endorsement of license’ means an individual who establishes residence in Texas and who has been determined by the board to meet the qualifications of a certified applicator by taking the appropriate examination in a state other than Texas.”

“(a) An applicant for an initial or renewal Structural Pest Control Endorsement of License, Business License or a Certified Applicator’s License shall accompany his application with a fee of not more than \$75 [~~\$50~~] each, as determined by the board, and a fee of not more than \$20 [~~between \$5 and \$15~~], as determined by the board, for each employee of the applicant who is engaged in structural pest control services.”

The amendment was read and was adopted.

Senator Doggett offered the following amendment to the bill:

Amend **C.S.S.B. 486** by

(1) Amending Section 2 of **C.S.S.B. 486** to read as follows:

SECTION 2. Section 3, Texas Structural Pest Control Act (Article 135b-6, Vernon’s Texas Civil Statutes), is amended by amending Subsections (a) and (e) and adding new Subsections (f) and (g) to read as follows:

“(a) The Texas Structural Pest Control Board is created. The board is composed of nine [~~seven~~] members, six [~~four~~] of whom shall be appointed [~~by the Governor with the advice and consent of the Senate for terms of two years~~]. Four of the appointed members must be persons who [~~To be eligible for appointment, a person must~~] have been engaged in the business of structural pest control for at least five years. No two members shall be representatives of the same business entity. Two members must be representatives of the general public who are not licensed under this Act. These appointments to the board shall be made by the Governor with the advice and consent of the Senate for staggered terms of two years. In addition to the appointed members, the board shall also consist [~~consists~~] of the Commissioner of Agriculture, the Commissioner of Health, and the chairman of the Department of Entomology at Texas A&M University, or their designated representatives [~~, who shall serve in ex officio capacity~~].”

“(e) The Texas Structural Pest Control Board is subject to the Texas Sunset Act; and unless continued in existence as provided by that Act the board is abolished, and this Act expires effective September 1, 1991 [~~1979~~]

“(f) A member of the board or an employee of the board who carries out the functions of the board may not:

(1) be an officer, employee, or paid consultant of a trade association in the structural pest control industry; or

(2) be related within the second degree by affinity or within the third degree by consanguinity to a person who is an officer, employee, or paid consultant of a trade association in the structural pest control industry.

(3) communicate directly or indirectly with a party or the party’s representative to a proceeding pending before the board unless notice and an opportunity to participate is given to all parties to the proceeding, if the member

or agent is assigned to make a decision, a finding of fact, or a conclusion of law in the proceeding.

“(g) A member of the board, except those members who are duly licensed structural pest control operators, may not have personally, nor be related to persons within the second degree by affinity or third degree by consanguinity, who have, except as consumers, financial interests in structural pest control businesses as officers, directors, partners, owners, employees, attorneys, or paid consultants of the structural pest control business or otherwise.

(2) Amending Section 3 of **C.S.S.B. 486** to read as follows:

SECTION 3. Section 4, Texas Structural Pest Control Act, as amended (Article 135b-6, Vernon's Texas Civil Statutes), is amended by adding new Subsections (e), (f), (g) and (h) to read as follows:

“(e) The board shall coordinate its computer, administrative, and licensing functions with the Department of Agriculture if the board determines that the coordination would result in the more practical and efficient performance of those functions.

“(f) The board may not promulgate rules restricting advertising or competitive bidding by licensees except to prohibit false or deceptive practices by the licensee.

“(g) If a written complaint is filed with the board relating to a licensee under this Act, the board, at least as frequently as quarterly, shall notify the complainant of the status of the complaint until the complaint is finally resolved or until litigation has been initiated. All records of complaints shall be filed in the offices of the Board.

“(h) The board must within thirty-one (31) days from the date of filing of the complaint determine whether a hearing shall be held on such complaint or whether such complaint shall be dismissed and shall notify both the person who filed the complaint and the person against whom the complaint has been filed of the board's decision.

The amendment was read and was adopted.

On motion of Senator Jones of Harris and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

COMMITTEE SUBSTITUTE SENATE BILL 486 ON THIRD READING

Senator Jones of Harris moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **C.S.S.B. 486** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 1.

Yeas: Andujar, Blake, Bracklein, Brooks, Doggett, Farabee, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, Mauzy, McKnight, Mengden, Moore, Ogg, Parker, Patman, Price, Santiesteban, Schwartz, Short, Snelson, Traeger, Truan, Vale, Williams.

Nays: Meier.

Absent-excused: Clower, Creighton.

The bill was read third time and was passed.

RECORD OF VOTE

Senator Meier asked to be recorded as voting "Nay" on the final passage of the bill.

SENATE BILL 245 ON SECOND READING

Senator Moore asked unanimous consent to suspend the regular order of business to take up for consideration at this time:

S.B. 245, Relating to the sale of certain property by the Texas Board of Corrections and the purchase of new land with proceeds from the sale, or to the exchange of the property for other land; reappropriating money deposited in the special fund.

There was objection.

Senator Moore then moved to suspend the regular order of business and take up **S.B. 245** for consideration at this time.

The motion prevailed by the following vote: Yeas 23, Nays 5.

Yeas: Andujar, Blake, Braecklein, Farabee, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Parker, Price, Santiesteban, Schwartz, Short, Snelson, Traeger, Williams.

Nays: Doggett, Mauzy, Patman, Truan, Vale.

Absent: Brooks.

Absent-excused: Clower, Creighton.

The bill was read second time.

Senator Longoria offered the following amendment to the bill:

Amend **S.B. 245** by striking the period at the end of the first sentence in Section 3 on page 2, line 12 of the bill and inserting "except that the proceeds may not be used for the purchase of land locate west of United States Highway 281 in Hidalgo County, Texas."

The amendment was read and was adopted.

On motion of Senator Moore and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

RECORD OF VOTES

Senators Truan, Doggett, Vale, Patman and Mauzy asked to be recorded as voting "Nay" on the passage of the bill to engrossment.

**COMMITTEE SUBSTITUTE SENATE BILL 10
ON SECOND READING**

Senator Harris moved to suspend the regular order of business to take up for consideration at this time:

C.S.S.B. 10, Amending Section (b), Article 1.07, Title 79, Revised Civil Statutes of Texas, 1925, as amended (Article 5069-1.07, Vernon's Texas Civil Statutes); fixing maximum rates of interest for certain loans or other extensions of credit of \$100,000 or more; providing a saving clause; providing for prospective application of this Act; and declaring an emergency.

The motion prevailed by the following vote: Yeas 22, Nays 7.

Yeas: Andujar, Blake, Braecklein, Brooks, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Parker, Santiesteban, Schwartz, Snelson, Traeger, Vale, Williams.

Nays: Doggett, Farabee, Mauzy, Patman, Price, Short, Truan.

Absent-excused: Clower, Creighton.

The bill was read second time.

Senator Patman offered the following amendment to the bill:

Amend CSSB 10 by striking "\$100,000" as those figures appear on lines 25, 28, and 31 of the printed copy thereof and substituting the following: \$250,000.

The amendment was read and failed of adoption by the following vote: Yeas 12, Nays 17.

Yeas: Braecklein, Doggett, Farabee, Mauzy, Parker, Patman, Santiesteban, Schwartz, Short, Snelson, Truan, Vale.

Nays: Andujar, Blake, Brooks, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Price, Traeger, Williams.

Absent-excused: Clower, Creighton.

Senator Patman offered the following amendment to the bill:

Amend **C.S.S.B. 10** by striking "18 percent" as those figures and that word appear on line 22 of the printed copy thereof and substitute the following: 12 percent.

The amendment was read.

MOTION TO RECESS

Senator Parker moved that the Senate stand recessed until 2:00 o'clock p.m. today.

The motion was lost by the following vote: Yeas 11, Nays 18.

Yeas: Andujar, Braecklein, Doggett, Farabee, Longoria, Mauzy, Parker, Patman, Schwartz, Snelson, Truan.

Nays: Blake, Brooks, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, McKnight, Meier, Mengden, Moore, Ogg, Price, Santiesteban, Short, Traeger, Vale, Williams.

Absent-excused: Clower, Creighton.

**COMMITTEE SUBSTITUTE SENATE BILL 10
ON SECOND READING**

The Senate resumed consideration of **C.S.S.B. 10** on its second reading and passage to engrossment.

Question - Shall the pending amendment be adopted?

On motion of Senator Patman and by unanimous consent, the pending amendment was withdrawn.

(Senator Jones of Taylor in Chair)

Senator Patman offered the following amendment to the bill:

Amend **C.S.S.B. 10** by striking "18 percent" as those figures and that word appear on line 22 of the printed copy thereof and substitute the following: "10 percent".

The amendment was read.

On motion of Senator Harris the amendment was tabled by the following vote: Yeas 22, Nays 7.

Yeas: Andujar, Blake, Brooks, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Price, Santiesteban, Schwartz, Short, Snelson, Traeger, Vale, Williams.

Nays: Braecklein, Doggett, Farabee, Mauzy, Parker, Patman, Truan.

Absent-excused: Clower, Creighton.

Senator Patman offered the following amendment to the bill:

Amend **C.S.S.B. 10** by striking "18 percent" as those figures and that word appear on line 22 of the printed copy thereof and substitute the following: 12 percent.

The amendment was read.

On motion of Senator Harris the amendment was tabled by the following vote: Yeas 19, Nays 10.

Yeas: Andujar, Blake, Brooks, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Santiesteban, Short, Snelson, Traeger, Williams.

Nays: Braecklein, Doggett, Farabee, Mauzy, Parker, Patman, Price, Schwartz, Truan, Vale.

Absent-excused: Clower, Creighton.

Senator Patman offered the following amendment to the bill:

Amend **C.S.S.B. 10** by striking "18 percent" as those figures and that word appear on line 22 of the printed copy thereof and substitute the following: 14 percent.

The amendment was read.

On motion of Senator Harris the amendment was tabled by the following vote: Yeas 19, Nays 10. (Same as previous roll call)

Senator Patman offered the following amendment to the bill:

Amend **C.S.S.B. 10** by striking "18 percent" as those figures and that word appear on line 22 of the printed copy thereof and substitute the following: 16 percent.

The amendment was read.

On motion of Senator Harris the amendment was tabled by the following vote: Yeas 19, Nays 10. (Same as previous roll call)

Senator Patman offered the following amendment to the bill:

Amend **C.S.S.B. 10** by striking "\$100,000" as those figures appear on lines 25, 28, and 31 of the printed copy thereof and substitute the following: \$200,000.

The amendment was read.

On motion of Senator Harris the amendment was tabled by the following vote: Yeas 18, Nays 11.

Yeas: Andujar, Blake, Brooks, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Santiesteban, Short, Traeger, Vale.

Nays: Braecklein, Doggett, Farabee, Mauzy, Parker, Patman, Price, Schwartz, Snelson, Truan, Williams.

Absent-excused: Clower, Creighton.

(President in Chair)

Senator Schwartz offered the following amendment to the bill:

Amend **C.S.S.B. 10** by striking "\$100,000" as those figures appear on lines 25, 28, and 31 of the printed copy thereof and substitute the following: \$175,000.

SCHWARTZ
PATMAN

The amendment was read and was adopted.

On motion of Senator Harris and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment by the following vote: Yeas 23, Nays 6.

Yeas: Andujar, Blake, Brooks, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Parker, Price, Santiesteban, Schwartz, Short, Snelson, Traeger, Vale, Williams.

Nays: Braecklein, Doggett, Farabee, Mauzy, Patman, Truan.

Absent-excused: Clower, Creighton.

**MOTION TO PLACE
COMMITTEE SUBSTITUTE SENATE BILL 10 ON THIRD
READING**

Senator Harris moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **C.S.S.B. 10** be placed on its third reading and final passage.

The motion was lost by the following vote (Not receiving four-fifths vote of the Members of the Senate present): Yeas 22, Nays 7.

Yeas: Andujar, Blake, Brooks, Farabee, Harris, Howard, Jones of Harris, Jones of Taylor, Kothmann, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Price, Santiesteban, Short, Snelson, Traeger, Vale, Williams.

Nays: Braecklein, Doggett, Mauzy, Parker, Patman, Schwartz, Truan.

Absent-excused: Clower, Creighton.

**MOTION RELATIVE TO
LOCAL CALENDAR PROCEDURE**

Senator Jones of Harris made the following motion:

I move that the bills and resolutions listed on the Local and Uncontested Calendar be set as Special Order for 8:30 Thursday morning and considered in the order listed with the understanding that a bill or resolution removed from the calendar will not be considered. I further move that the Three Day Rule be suspended with respect to bills on the Local and Uncontested Calendar that are engrossed on Thursday morning.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Clower, Creighton.

WELCOME RESOLUTIONS

S.R. 239 - By Mauzy: Extending welcome to students from First Baptist Academy, Dallas.

S.R. 240 - By Ogg: Extending welcome to students from Jeff Davis High School, Houston.

S.R. 243 - By Traeger: Extending welcome to sixth grade students from Eagle Pass.

RECESS

On motion of Senator Moore the Senate at 1:01 o'clock p.m. took recess until 8:30 o'clock a.m. tomorrow.

APPENDIX

Sent to Comptroller

(March 14, 1979)

S.B. 158

Sent to Governor

(March 14, 1979)

S.B. 126

S.B. 158

THIRTY-SIXTH DAY

(Continued)

(Thursday, March 15, 1979)

AFTER RECESS

The Senate met at 8:30 o'clock a.m. and was called to order by Senator Jones of Harris.

LOCAL AND UNCONTESTED BILLS CALENDAR

The Presiding Officer (Senator Jones of Harris in Chair) announced that the time had arrived for the consideration of the Local and Uncontested Bills Calendar in accordance with the provisions of **S.R. 16**. (Bills having been set as Special Order and Constitutional Three-Day Rule suspended by vote of 29-0 on March 13, 1979.)

The following bills were laid before the Senate, read second time, passed to engrossment, read third time and passed: (Sponsor and vote on final passage indicated after caption of each bill. When amended, vote on final passage follows the amendment.)

S.B. 11 (Farabee) Relating to transferring Shackelford County to 7th Administrative Judicial District. (29-0)

C.S.S.B. 41 (Traeger) Relating to powers of Edwards Underground Water District to regulate drilling of wells. (29-0)

C.S.S.B. 50 (Traeger) Relating to Edwards Underground Water District. (29-0)

S.B. 309 (Clower) Relating to furnishing of surety bonds by public works contractors. (29-0)

S.B. 343 (Ogg) Relating to policemen's retirement systems in certain cities.

Senator Ogg offered the following committee amendment to the bill:

Amend Senate Bill 343 by striking quoted Subsection (b) in Section 3 of the bill and substituting in lieu thereof the following:

“(b) The maximum [employee] contribution which may be made to the fund by a member ~~[other than a member holding a position above the third highest classification on the effective date of this Act]~~ shall be limited to a contribution based on the salary of the second [third] highest classification within the salary schedule of the police department. It is the intent of this section to limit both the contribution and retirement benefits of any member ~~[other than a member holding a position above the third highest classification on the effective date of this Act]~~ to the salary level of the second [third] highest rank of the police department personnel classification schedule, provided that if the member has not held the same classified position for five (5) years prior to the date of retirement, the retirement pension shall be based on the average monthly base salary of the member for five (5) years preceding retirement.”

The committee amendment was read and was adopted.

Senator Ogg offered the following committee amendment to the bill:

Amend SB 343 by striking Section 5 of the bill and substituting in lieu thereof the following:

“(b) If a member of the Police Pension System is promoted or appointed to any classified position above the second [third] highest in the police department personnel classification schedule, that member's contribution and retirement benefits will be computed on the base salary of the second [third] highest classified position [positions] in the police department personnel classification schedule, provided that if the member has not held the same classified position for five (5) years prior to the date of retirement, the retirement pension shall be based on the average monthly base salary of the member for five (5) years preceding retirement. For the purposes of this Act, the position of the Chief of Police shall be considered the highest classified position in the personnel classification schedule in the police department.”

The committee amendment was read and was adopted.

On motion of Senator Ogg and by unanimous consent, the caption was amended to conform to the body of the bill as amended. (29-0)

S.B. 368 (Jones of Taylor) Relating to inspection nuclear boilers. (29-0)

C.S.S.B. 401 (Longoria) Relating to sale and lease of land and facilities of certain navigation districts. (29-0)

C.S.S.B. 402 (Longoria) Relating to procedures for refunding bonds, notes and other indebtedness of navigation districts. (29-0)

S.B. 406 (Moore) Relating to disposition of county funds held by a county officer. (29-0)

C.S.S.B. 430 (Farabee) Relating to county bail bond boards in certain counties. (29-0)

S.B. 433 (Farabee) Relating to venue in suits appealing a decision of the Industrial Accident Board. (29-0)

C.S.S.B. 496 (Jones of Harris) Relating to Sugar Land Community Hospital District.

Senator Jones of Harris offered the following amendment to the bill:

Amend **C.S.S.B. 496** by striking all below the enacting clause and substituting the following in lieu thereof:

SECTION 1. AUTHORIZATION; NAME. The creation, administration, maintenance, operation and financing of the Sugar Land Community Hospital District is authorized pursuant to Article IX, Section 9, of the Texas Constitution.

SECTION 2. BOUNDARIES. The district shall be entirely within Fort Bend County, Texas, with boundaries as follows:

BEGINNING at a point in the present city limit line of the City of Sugar Land, Texas, lying within Fort Bend County and being the intersection of the centerline of Stiles Lane with the northeasterly extension of the northerly line of that certain property owned or formerly owned by Sugarland Industries, Inc., same also being the northeasterly extension of the southerly line of a 49.1 acre tract of land owned or formerly owned by Joe Agnello, Jr., said tracts being in the George Brown and Charles Belknap Survey, Abstract No. 15, Fort Bend County, Texas;

THENCE northeasterly along the northeasterly extension of said northerly line of that certain property owned or formerly owned by Sugarland Industries, Inc., same also being the northeasterly extension of the southerly line of said 49.1 acre tract owned or formerly owned by Joe Agnello, Jr., to a point for corner, said point being the intersection with the east right-of-way line of Stiles Lane;

THENCE north along the east right-of-way line of Stiles Lane to its intersection with the south right-of-way line of Belknap Road;

THENCE westerly along the south right-of-way line of Belknap Road to its intersection with the west right-of-way line of Eldridge Road F.M. 1876;

THENCE south along the west right-of-way line of Eldridge Road F.M. 1876 to a point for corner, said point being 867.48 feet, more or less, south of

the south right-of-way line of Florence Road, said point also being the most southerly southeast corner of Fort Bend County Municipal Utility District No. 2;

THENCE N 89° 58' 30" W, following the most southerly boundary line of Fort Bend County Municipal Utility District No. 2, at a distance of 1995.67 feet, to a point for corner;

THENCE N 00° 00' 07" W, continuing along the boundary line of Fort Bend County Municipal Utility District No. 2 a distance of 618.91 feet, to a corner in the boundary of said utility district;

THENCE continuing N 00° 0' 07" W, along a northerly extension of the boundary line of the said Fort Bend County Municipal Utility District No. 2, a distance of 250 feet more or less, to the south right-of-way line of Florence Road;

THENCE continuing N 00° 00' 7" W, along the northerly extension of the boundary line of said Fort Bend County Municipal Utility District No. 2, crossing said Florence Road, to the north right-of-way line of Florence Road;

THENCE west along the north right-of-way line of Florence Road to its intersection with the east right-of-way line of Burney Road for corner;

THENCE north along the east right-of-way line of Burney Road to a point for corner, said point being the intersection with the easterly extension of the north line of the A. Hodge Survey, Abstract No. 32, same also being the easterly extension of the south line of the Alex Hodge Survey, Abstract No. 194;

THENCE westerly along the easterly extension of the north line of the A. Hodge Survey, Abstract No. 32, same also being the easterly extension of the south line of the Alex Hodge Survey, Abstract No. 194, crossing Burney Road and continuing west along said north line of the A. Hodge Survey, Abstract No. 32, crossing State Highway No. 6, and continuing along said survey line to a point for corner, said point being a northwest corner of the tract formerly part of the Central State Prison Farm property, same also being the southwest corner of a 38.4 acre tract owned or formerly owned by Oscar Rushin located in the Jas. Hodge Survey, Abstract No. 193;

THENCE south along the westerly property line of the tract formerly part of the Central State Prison Farm property located in the A. Hodge Survey, Abstract No. 32 to its intersection with the westerly right-of-way line of State Highway No. 6;

THENCE continuing in a southerly direction along the westerly right-of-way line of State Highway No. 6 to a point for corner, said point being the intersection of the westerly right-of-way line of State Highway No. 6 and the centerline of Oyster Creek;

THENCE following the centerline of Oyster Creek westerly to a point for corner, said point being the intersection of the Creek centerline with the westerly right-of-way line of State FM Road 1464;

THENCE south along the westerly right-of-way of State FM Road 1464, crossing US Highway 90A and continuing south with said right-of-way and the extension thereof to a point for corner on the centerline of the Brazos River;

THENCE following the centerline of the Brazos River southeasterly to a point for corner at the intersection of said centerline with a line projected S 45° 00' 00" W from a point of intersection of the south right-of-way line of Hagerson Road and a line extended due south from the intersection of the westerly right-of-way line of Dulles Road and the south right-of-way line of State Highway No. 6;

THENCE northeasterly along a line projected N 45° 00' 00" E to a point for corner, that point being the intersection of the south right-of-way line of Hagerson Road and a line extended due south from the intersection of the westerly right-of-way line of Dulles Road and the south right-of-way line of State Highway No. 6;

THENCE north along a line projected to a point of intersection of the westerly right-of-way line of Dulles Road and the south right-of-way line of State Highway No. 6;

THENCE north along the westerly right-of-way line of Dulles Road to a point, where the west right-of-way line of Dulles Road intersects the north right-of-way line of the American Canal Company of Texas;

THENCE along the City of Sugar Land city limits line, the following eight (8) courses:

1. North 0° 15' 10" West, 3899.2 feet to a point;
2. North 37° 11' 10" West, 3098.67 feet to a point;
3. South 89° 44' 50" West, 650.26 feet to a point;
4. North 0° 06' 50" East, 66.2 feet to a point;
5. North 01° 39' 40" East, 1535.24 feet to a point;
6. North 22° 39' 40" West, 294.68 feet to a point;
7. North 02° 43' 00" West, 1192.24 feet to a point;
8. South 89° 34' 50" West, 2156.0 feet to a point for corner at the centerline of Stiles Lane;

THENCE north along the centerline of Stiles Lane to the Point of Beginning.

"Sec. 3. ESTABLISHMENT OF SYSTEM. After the creation of the district is confirmed at a district election as provided in Section 6 of this Act, the district shall establish a hospital or hospital system within its boundaries by the purchase, construction, acquisition, repair, or renovation of buildings and improvements, and equipping same, for hospital and facilities for medical care purposes, and shall provide for its administration, maintenance, and operation so as to furnish hospital and facilities for medical care within the district, and no other municipality or political subdivision may levy taxes or issue bonds or other obligations for hospital purposes or for providing medical care within the boundaries of the district. The district shall assume full responsibility for providing the operation of all public hospital facilities for the furnishing of medical and hospital care for its needy inhabitants. After creation of the district is confirmed at a district election, the district shall take over and there shall be transferred to it title to all land, buildings, improvements, permits, licenses, and certificates pertaining to the hospitals or hospital system which may be located wholly within the district and owned by the Fort Bend Hospital Authority. The district shall assume the outstanding indebtedness incurred by the Fort Bend Hospital Authority and the City of Sugar Land to provide medical care for residents of the district prior to the creation of the district.

SECTION 4. TEMPORARY DIRECTORS; OFFICERS. (a) On the effective date of this Act the following persons are temporary directors of the district:

Charles E. Kelly, Jr.	Place No. 1
Louis C. Milberger	Place No. 2
Dr. Robert J. Genovese	Place No. 3
Kenneth A. Landin	Place No. 4
Hugh L. Rouse	Place No. 5
Malcolm O. Middlebrooks	Place No. 6
Ernie L. Wood	Place No. 7

(b) Each temporary director shall qualify as provided in Section 11 of this Act within 30 days after the effective date of this Act.

(c) The board shall organize by electing from its membership a president, vice-president, secretary, and treasurer, and any other officers considered necessary by the board. The depository bank of the district may be designated as treasurer of the district.

SECTION 5. CREATION ELECTION. The district may not be created, no bonds, payable in whole or in part from taxes, may be issued, and no tax may be levied unless authorized by a majority of the qualified voters of the district voting at an election held for that purpose. A district election shall be called by resolution or order of the board, stating the date of the election, the proposition or propositions to be submitted and voted on, the polling place or places, and any other matters deemed necessary or advisable by the board. Notice of each district election shall be given by publishing a substantial copy of the election resolution or order one time, at least 20 days prior to the date set for the election, in a newspaper of general circulation in the district. The election shall be called and conducted in accordance with the Texas Election Code, except as provided in this Act. The board shall canvass the returns and declare the results of district elections. District elections, other than elections of directors, may be held on any date, notwithstanding the provisions of Section 9b, Texas Election Code, as amended (Article 2.01b, Vernon's Texas Election Code).

SECTION 6. PROPOSITION. At an election to create the district the ballot shall be printed to provide for voting for or against the proposition: "The creation of the Sugar Land Community Hospital District with authority to levy annual taxes at a rate not to exceed 75 cents on the \$100 valuation of all taxable property within the district subject to hospital district taxation for the purpose of meeting the requirements of the district's bonds and its maintenance and operating expenses, as authorized by Article IX, Section 9, of the Texas Constitution; providing that, after the creation of the district no other municipality or political subdivision may levy taxes or issue bonds or other obligations for hospital purposes or for providing medical care within the boundaries of the district."

The proposition may be submitted at more than one district election called by the board, and if at any district election a majority of the qualified voters of the district, voting at the election, votes in favor of the proposition, the board shall so find and shall declare the district created. At any district election including, but not limited to, an election to create the district, a proposition to authorize the issuance of bonds of the district may also be submitted.

SECTION 7. ELECTION OF DIRECTORS. The district shall be governed by a board of seven directors. To be qualified to serve as a director a person must be not less than 18 years old and a qualified voter within the district. After approval of the proposition in Section 6 of this Act, an election shall be held in the district on the first Saturday of each April for the election of directors. In even-numbered years the three directors who occupy the even-numbered places shall be elected to serve two years. In odd-numbered years the four directors who occupy the odd-numbered places shall be elected to serve two years. Directors shall run for office by position and the person who receives the largest number of votes for each position shall be elected to that position on the board. Except for the temporary directors, any candidate for the office of director shall file with the secretary of the board, or any agent who may be designated by the board, his or her application to have his or her name printed on the ballot for a designated position on the board. The application must be signed by the candidate or by 10 qualified voters of the district and must be filed at least 30 days before the election. A vacancy in the office of director or any office on the board shall be promptly filled by appointment of the board for the unexpired term.

SECTION 8. MEETINGS; ASSISTANT SECRETARY. (a) Four directors shall constitute a quorum and a concurrence of four directors shall be required in all matters pertaining to the business of the district.

(b) The president shall preside at all meetings of the board and shall be the chief executive officer of the district. The vice-president shall act as president in case of the absence or disability of the president.

(c) The secretary shall act as president if both the president and vice-president are absent or disabled. The secretary shall act as secretary of the board and shall see that all records and books of the district are properly kept.

(d) The board may appoint an assistant secretary to assist the secretary. That person may certify as to the authenticity of records of the district, including those pertaining to proceedings related to bonds, contracts, or indebtedness of the district.

SECTION 9. BYLAWS. The board may adopt bylaws to govern:

- (1) the time, place, and manner of conducting its meetings;
- (2) the powers, duties, and responsibilities of its officers and employees;
- (3) the disbursement of funds by checks, drafts, or warrants;
- (4) the appointment and authority of committees of the board;
- (5) the keeping of records and accounts; and
- (6) other matters as the board may consider appropriate.

SECTION 10. TIME AND NOTICE OF MEETINGS. The board shall hold its meetings at its designated meeting place, may establish a schedule of regular meetings to conduct district business, and may hold special meetings at other times as the business of the district may require. Notice of the time, place, and purpose of any meeting of the board shall be posted at a place convenient to the public within the district. Notwithstanding the provisions of Chapter 271, Acts of the 60th Legislature, Regular Session, 1967, as amended (Article 6252-17, Vernon's Texas Civil Statutes), notice of meetings need not be posted at the County Courthouse of Fort Bend County. Notice of a meeting shall be posted for at least three days before a meeting, unless the board finds that an emergency exists, in which case no posting of notice is required. Failure to post notice shall not affect the validity of any action taken at a regular meeting of the board, but may affect the validity of action taken at a special meeting unless the board declares, in action taken at the special meeting, that an emergency exists. Except as provided in this Act, Chapter 271, Acts of the 60th Legislature, Regular Session, 1967, as amended (Article 6252-17, Vernon's Texas Civil Statutes), is applicable to meetings of the board.

Sec. 11. AFFAIRS OF DISTRICT. (a) The board shall have control over and management of all of the affairs of the district. The board may appoint qualified persons as administrator of the hospital district, attorney for the district, and assistant to the administrator. The administrator, the attorney, and the assistant administrator, if any, shall serve at the will of the board and shall receive the compensation determined by the board. The board may appoint to the staff physicians it may deem necessary for the efficient operation of the district, and may provide for temporary appointments to the staff if warranted by circumstances. The board may delegate to the administrator the authority to employ technicians, nurses, and employees of the district. The district shall contract in the name of the district.

(b) The board shall determine the powers, authority, duties, term of employment, and compensation of all employees and consultants by contracts or by resolution or order of the board.

(c) Any employee's employment may be terminated by the board.

(d) The board may require a bond of any officer or employee payable to the district and conditioned on the faithful performance of his or her duties.

(e) The board shall adopt reasonable and necessary rules and bylaws to govern the proceedings and activities of the board and the hospital system.

(f) The board may purchase all materials, supplies, equipment, and vehicles needed by the district.

(g) The board shall adopt a seal for the district.

(h) No director may receive compensation for his or her services as director but, on approval by the board, a director may be reimbursed for travel or other expenses incurred on behalf of the district on presentation of a verified statement.

(i) As soon as practicable after a director is elected or appointed he or she shall execute a bond for \$5,000, payable to the district and conditioned on the faithful performance of his or her duties, the cost of which shall be borne by the district.

(j) The board shall approve all bonds of the directors, including the bonds of the temporary directors.

(k) Each director shall take the oath of office prescribed by the Texas constitution for public officers.

(l) Each director shall file the bond and oath with the board, to be retained in its records.

SECTION 12. SUITS. The district is a governmental agency and body politic and corporate and may, through its directors, sue and be sued in the name of the district. Service of process in any suit against the district may be had by serving any two directors.

"Sec. 13. CONTRACTS WITH GOVERNMENTAL ENTITIES. The board may contract with any other political subdivision or governmental agency for investigatory or other services as to the facilities for the medical care, hospital, of welfare needs of the inhabitants of the district, and may contract with any county or incorporated municipality located outside its boundaries for reimbursement for the care and treatment of the sick, diseased, or injured persons of that county or municipality. The district may also contract with the state or agencies of the federal government for the reimbursement for the treatment of sick, diseased, or injured persons, or for the training of doctors, nurses, or other health care disciplines. In addition, the board may lease its facilities and may contract with any lessee of its hospitals or any other person for the provision of the hospital care to the needy inhabitants of the district for payments and terms and under conditions as the board may deem to be in the best interests of the district.

SECTION 14. FACILITIES OF DISTRICT. (a) The board is hereby given complete discretion as to the types, number, and locations of buildings required to establish and maintain an adequate hospital system. The hospital system may include domiciliary hospital care of the sick, wounded, and injured, outpatient clinics, dispensaries, geriatric domiciliary care, convalescent home facilities, necessary nurses, domiciliaries and training centers, blood banks, community health centers, and research centers or laboratories, and any other facilities deemed necessary for hospital and medical care by the board.

(b) The district, through its board, may enter into an operating or management contract with any person regarding all or any of its hospitals or hospital system, and it may delegate to the administrator the power to manage and operate all or any part of the hospital system and to employ and discharge employees.

(c) The board may lease all or part of the facilities comprising the system on terms and conditions it considers to be in the district's best interest. In connection with the lease, the board may delegate as it deems appropriate any of its powers to manage, control, and administer such leased facilities. The provision of hospital and medical care at any leased facilities is subject to all applicable laws and all rules of the Texas Department of Health Resources, the

Texas Health Facilities Commission, or any other state or federal agency having jurisdiction. The facilities are subject to inspection by any authorized representative of any of those agencies. No lease may be for a period greater than 40 years. If all or part of the district's facilities are leased, the lease shall require that the lessee charge rates for services rendered or goods provided at the leased premises that, together with other sources of the lessee's revenues, will produce revenues sufficient to enable the lessee to pay the expenses of operation and maintenance of the leased premises required of the lessee under the lease. The lease shall also require the lessee to pay lease rentals to the district that will be sufficient, when taken with any other sources of the district's estimated revenues which are pledged for the same purposes, to pay the interest on any revenue or special obligation bonds that are payable in whole or part from the lease rentals, to create and maintain a sinking fund to pay the principal of and premium, if any, on the bonds as they become due, to create and maintain a bond reserve fund and any other fund provided for in the bond order, resolution, or trust indenture authorizing the issuance of the bonds, and to pay all other charges, fees, costs, and expenses required to be paid by the lessee in accordance with the resolution or indenture. The lease, management agreement, bond resolution, or trust indenture may prescribe systems, methods, routines, procedures, and policies under which the facilities owned by the district shall be operated. If all or part of the district's facilities are leased, the district may delegate to the lessee the duty to establish the systems, methods, routines, procedures, and policies under which the leased premises shall be operated.

(d) The district may sell or otherwise dispose of any real or personal property or equipment of any nature on terms and conditions found by the board to be in the best interest of the district.

SECTION 15. EMPLOYMENT BENEFITS. (a) The board may provide for and administer a retirement, disability, and death compensation fund for the officers and employees of the district, and may adopt plans for those purposes, including the forms of insurance and annuities that are considered advisable by the board. The board, after notice to the employees and a hearing, may change any plan or rule relating to a plan.

(b) All money in the retirement, disability, and death compensation fund may be invested by the board in:

(1) bonds of the United States, the State of Texas, any county, city, or other political subdivision of this state, or in bonds issued by any agency of the United States, the payment of the principal of and interest on which is guaranteed by the federal government; or

(2) life insurance policies, endowment or annuity contracts, or interest-bearing certificates of legal reserve life insurance companies authorized to write those types of contracts in the State of Texas.

(c) A sufficient amount of money shall be kept on hand to meet the immediate payment of amounts likely to become due each year out of the fund as determined by the board.

(d) The recipients or beneficiaries from the fund are not eligible for any other pension, retirement fund, or direct aid from the State of Texas, unless the person releases benefits from the fund to the State of Texas as a condition precedent to receiving the other pension, or aid, or joining any other system.

(e) The board may adopt rules to include hospitalization and medical benefits to district officers and employees as part of the compensation currently paid to the officers and employees.

(f) The board may also become a subscriber under the workers' compensation law with any insurance company authorized to write workers' compensation in this state.

(g) The board may also enter into contracts with the state and federal governments as may be necessary to establish and continue a retirement program for the benefit of its employees.

SECTION 16. BUDGET AND RECORDS. An annual budget for each fiscal year of the district shall be prepared as directed by the board for its approval. The budget may be amended from time to time as the board deems necessary. The district shall maintain books of records and accounts in which full, true, and proper entries shall be made of all dealings, transactions, and business matters that in any way affect or pertain to the district and the allocation and application of all of the revenues. The books and records of the district shall be available for inspection by the public at reasonable hours and under reasonable circumstances. The fiscal year of the district shall end on the last day of September of each year unless changed by the board. The board shall have an audit of all transactions relating to the district made by an independent certified public accountant each fiscal year. The audit report of the accountant shall be submitted to the board within 120 days following the end of each fiscal year and shall be available for public inspection.

SECTION 17. BONDS. (a) The district may issue bonds or notes for any of its corporate purposes. The district may issue refunding bonds or notes for the purpose of paying or retiring previously issued bonds or notes. The district may issue bonds or notes on which the principal and interest are payable:

- (1) from ad valorem taxes;
- (2) from the income and revenues of the hospital project financed with the proceeds of the bonds or notes, or with the proceeds together with a grant from the federal government in aid of the project;
- (3) from the income and revenues of certain designated hospital or medical care projects whether or not they were financed in whole or in part with the proceeds of the bonds or notes;
- (4) from all or any other part of its revenues; or
- (5) from any combination of the above.

(b) Any of the bonds or notes may be additionally secured by a pledge of any revenues or a mortgage of any hospital or medical care project or other property or assets of the district. Bond or note proceeds may be used to pay costs incurred in issuing the bonds or notes, interest on the bonds or notes for such time as may be determined by the district, operating expenses during construction and for one year thereafter, and to establish reserve funds and sinking funds for the bonds and notes. At the time of issuance of bonds or notes payable from taxes, the board shall levy an ad valorem tax on all of the taxable property in the district subject to district taxation sufficient to pay the interest on the bonds as the interest comes due and to provide and maintain a sinking fund adequate to pay the principal of the bonds as it matures, provided that the tax, together with any other taxes levied by the district, may not exceed 75 cents on the \$100 valuation of taxable property in the district subject to hospital district taxation in any one year. No bonds may be issued by the district, except refunding bonds and notes and revenue or special obligation bonds and notes, unless authorized by a majority of the qualified voters of the district voting at an election called for that purpose.

SECTION 18. REVENUE, SPECIAL OBLIGATION, OR REFUNDING BONDS. The district may, without an election, issue revenue or special obligation bonds and notes and may also issue refunding bonds and notes to refund or pay off any validly issued and outstanding district bonds and notes, all in the manner and to the extent authorized by any law of this state relating to the issuance of revenue or special obligation bonds or notes or refunding bonds or notes, by hospital districts or hospital authorities, including Sections 8 through

13, Chapter 122, Acts of the 58th Legislature, Regular Session, 1963, as amended (Article 4494r, Vernon's Texas Civil Statutes), Chapter 285, Acts of the 60th Legislature, Regular Session, 1967, as amended (Article 4494r-1, Vernon's Texas Civil Statutes), and Chapter 784, Acts of the 61st Legislature, Regular Session, 1969, as amended (Article 717k-3, Vernon's Texas Civil Statutes). Revenue and special obligation bonds may be payable from and secured by revenues, encumbrances, and mortgages as authorized by law.

SECTION 19. MANNER OF ISSUANCE. (a) Bonds and notes of the district, including but not limited to revenue bonds and notes, may be issued in various series or issues, shall mature serially or otherwise not more than 40 years from their date or dates, and shall bear interest at such rates as shall be lawfully determined by the board. The bonds and notes and their interest coupons are negotiable instruments, and they may be made redeemable, mandatorily or optionally, prior to maturity, and may be issued in such form, denominations, and manner, and under such terms, conditions, and details, and shall be signed and executed, as provided by the board in the resolution or order authorizing the issuance of the bonds or notes. The board shall sell all bonds and notes of the district, except refunding bonds and notes, on the best terms and for the best possible price.

(b) Any order or resolution authorizing any bonds or notes may contain provisions that become a part of the contract with the holders of the bonds or notes as to:

(1) pledging all or any part of the revenues of the district to secure the payment of the bonds or notes or any issue of them;

(2) pledging all or any part of the assets of the district to secure the payment of the bonds or notes or any issue of them;

(3) the establishment of reserves or sinking funds and the regulation and disposition of the funds and the earnings or income from them;

(4) limitations on the purposes to which the proceeds of a sale of bonds or notes may be applied, and pledging the proceeds to secure the payment of the bonds or notes;

(5) limitations on the issuance of additional bonds or notes, the terms on which additional notes or bonds may be issued and secured, and the refunding of outstanding bonds or notes;

(6) the procedure, if any, by which the terms of any contract with holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent to the amendment or abrogation, and the manner in which that consent may be given;

(7) vesting in a trustee or trustees any property, rights, powers, and duties in trust as the district may determine, and providing for, limiting, or abrogating the right of the holders of bonds or notes to appoint a trustee or limiting the rights, powers, and duties of the trustee;

(8) defining the acts or omissions that constitute a default in the obligations and duties of the authority to the holders of the bonds or notes and providing for the rights and remedies of the holders of the bonds or notes in the event of a default; or

(9) any other matter that in any way affects the security, protection, or investment return of the holders of the bonds or notes.

(c) Any pledge of income, revenues, or assets made by the district to holders of bonds or notes shall be valid and binding from the time the pledge is made. The revenues, money, or assets so pledged and thereafter received by the district shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise

against the district, irrespective of whether those parties have notice thereof. The resolution or any other instrument by which a pledge is created is not required to be recorded.

SECTION 20. APPROVAL AND REGISTRATION. (a) All bonds issued by the district shall be submitted to the attorney general for examination.

(b) If the attorney general finds that the bonds have been authorized in accordance with law, he or she shall approve them, and they shall be registered by the comptroller of public accounts.

(c) After approval by the attorney general and registration of the bonds by the comptroller, the bonds are incontestable in any court or other forum, for any reason, and are valid and binding obligations in accordance with their terms for all purposes.

SECTION 21. COMPETITIVE BIDS. (a) Except as provided in this Act, the board may not make a contract calling for or requiring the expenditure or payment, or creating or imposing an obligation or liability of any nature upon the district, of more than \$50,000 unless the contract is first submitted for competitive bids.

(b) The board shall publish notice of the time and place at which the contract will be let by publication once a week for two consecutive weeks in a newspaper of general circulation in the district, the date of the first publication not less than 14 days before the date set for the receipt of bids, and the notice shall specify that plans and specifications for the proposed project, or specifications for the machinery, supplies, equipment, or materials to be purchased, are on file with a designated representative of the district where they may be examined without charge. All contracts for construction or the purchase of materials, equipment, supplies, or machinery let under the provisions of this Act shall be let to the lowest responsible bidder and may be let on a lump-sum basis or on a unit price basis, as the board shall determine.

(c) After performance of a construction contract has begun, if it becomes necessary to make changes in the plans or specifications or decrease or increase the quantity of work to be performed or materials, equipment, or supplies to be furnished, the board may approve change orders effecting the changes, but the total contract price may not be increased unless provision has been made for the payment of the added cost by appropriating either current or bond funds for that purpose, but the original contract price may not be increased by more than 25 percent, or decreased more than 25 percent, without the consent of the contractor.

(d) The board may reject any or all bids. If a contract is for the construction of public works and requires the expenditure of \$50,000 or more, the successful bidder shall be required to give a good and sufficient payment and performance bond, in the full amount of the contract price, executed by a surety company authorized to do business in this state, in accordance with the provisions of Article 5160, Revised Civil Statutes of Texas, 1925, as amended.

(e) This section does not apply to Section 14 of this Act, to contracts for personal or professional services, or for the purchase of land, buildings, or rights-of-way.

SECTION 22. DEPOSITORY. The board shall name one or more banks to serve as depository for the district. All funds of the district, as received, shall be deposited with the depository. The deposits shall be secured as provided by law for the funds of counties and may be placed on time deposit or used to purchase certificates of deposit, secured in like manner. The board may invest funds of the district in bonds of the United States, the state, a county, city, or other political subdivision of this state, or in bonds issued by any agency of the United States the payment of the principal of and interest on which is guaranteed by the federal government.

SECTION 23. TAX. (a) If the qualified voters of the district approve the proposition set forth in Section 6 of this Act, the board shall annually levy a tax not to exceed the amount authorized in the proposition, levied for or pledged to any or all of the following purposes:

- (1) meeting the requirements of the bonds or notes of the district;
- (2) providing for the maintenance and operating expenses of the hospital system, including, but not limited to, the cost of contract payments for hospital and medical care for the needy inhabitants of the district; and
- (3) making improvements and additions to or equipping the hospital system, and for the acquisition of the necessary sites for them by gift, purchase, lease, or condemnation.

(b) In setting the tax rate, the board shall consider all income of the district, including income derived from sources other than taxation available for the purposes stated in this section. The board shall determine and certify to the tax assessor-collector the amount of tax to be levied and collected.

SECTION 24. AUTHORIZED INVESTMENTS. All bonds issued by the district are legal and authorized investments of banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, trustees, and sinking funds of cities, towns, counties, school districts, or other political subdivisions of the state, and for all public funds of the state or its agencies including the state permanent school fund. The bonds are eligible to secure deposits of public funds of the state or cities, towns, counties, school districts, or other political subdivisions or corporations of the state, and are lawful and sufficient security for deposits to the extent of their value when accompanied by all unmatured coupons.

SECTION 25. EMINENT DOMAIN. (a) The district has the right and the power of eminent domain for the purpose of acquiring by condemnation property of any kind and character in fee simple, or any lesser interest, within the boundaries of the district necessary or convenient to the powers, rights, and privileges conferred by this Act, in the manner provided by the general law with respect to condemnation by counties. The district may not be required to make bond or deposits in the registry of the trial court as required by Subdivision 2, Article 3268, Revised Civil Statutes of Texas, 1925, as amended. In condemnation proceedings being prosecuted by the district, the district may not be required to give bond or other security for or pay in advance costs in the trial court, nor to give any bond otherwise required for the issuance of a temporary restraining order or a temporary injunction, nor to give bond for costs or for supersedeas on any appeal or writ of error.

(b) If the board requires the relocation, raising, lowering, rerouting or change in grade or alteration in the construction of any railroad, electric transmission, telegraph or telephone lines, conduits, poles, or facilities, or pipelines in the exercise of the power of eminent domain, all of the relocation, raising, lowering, rerouting, or changes in grade or alteration of construction due to the exercise of the power of eminent domain shall be the sole expense of the district. The term "sole expense" means the actual cost of relocation, raising, lowering, rerouting, or change in grade or alteration of construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

SECTION 26. ASSESSING AND COLLECTING TAXES; EQUALIZATION. (a) The board may levy taxes for the entire year in which the district is established. All taxes of the district shall be assessed and collected in accordance with Fort Bend County tax values as provided in Subsection (b) of this section unless the board elects to have taxes assessed and collected by the district's own tax assessor-collector under Subsection (c) of this section, or by

any city, special purpose district, or other governmental subdivision under Subsection (d) of this section. The board may make the selection before December 1 annually. The selection shall govern the manner in which taxes are assessed and collected until changed by the board.

(b) Under this subsection, the district's taxes shall be assessed and collected in accordance with Fort Bend County tax values in the same manner as provided by law with relation to county taxes. The tax assessor-collector of Fort Bend County is required to accomplish the assessment and collection of all taxes levied by and on behalf of the district. The assessor-collector of taxes shall charge and deduct from payments to the district an amount as fees for assessing and collecting the taxes, the amount to be agreed upon between the board and the commissioners court of Fort Bend County. The fees shall be deposited in the officers salary fund of the county and reported as fees of office of the county tax assessor-collector. Interest and penalties on taxes paid to the district shall be the same as in the case of county taxes. Discounts shall be the same as allowed by the county. District tax collections remaining after deduction of discounts and fees for assessing and collecting shall be deposited promptly in the district's depository. The bond of the county tax assessor-collector shall stand as security for the proper performance of his or her duties as assessor-collector of the district, or, if deemed advisable by the board, additional bond payable to the district may be required. In all matters pertaining to the assessment, collection, and enforcement of collection of taxes for the district, the county tax assessor-collector is authorized to act in all respects according to the laws of the state relating to state and county taxes.

(c) Under this subsection, taxes shall be assessed and collected by a tax assessor-collector appointed by the board. The board shall also fix the terms of his or her employment, compensation, and requirement for bond to assure the faithful performance of his or her duties, but in no event may the bond be for less than \$5,000. The board shall also annually appoint three persons to serve as a board of equalization and shall fix their compensation. Each member of the board of equalization shall be a resident of the district and each has the same duties, including the obligation to execute the oath of office, as required of county officials exercising those powers and duties. Except as provided in this Act to the contrary, Title 122, Revised Civil Statutes of Texas, 1925, as amended, applies to the district.

(d) Under this subsection, district taxes shall be assessed or collected, in whole or in part, by the tax assessors and collectors of any city, special purpose district, or other governmental subdivision in which all or any part of the district is located. District valuations may be equalized by a board of equalization of any of those governmental subdivisions. District property may be assessed and the value equalized on the same basis or a different basis than that used by the governmental subdivision. The property shall be assessed, the values equalized, and the taxes collected, in the manner and for compensation agreed upon between the board and the governing body of the governmental subdivision, and the functions assumed by the officials of the governmental subdivision shall be additional duties of their offices. The ad valorem tax laws applicable to each such governmental subdivision shall apply to its officials in carrying out functions for the district.

SECTION 27. INDIGENT CARE. When a patient residing within the district has been admitted to the district's facilities, the board, or a representative of the board, may cause inquiry to be made as to the financial circumstances of the patient and of the relatives of the patient legally liable for support of the patient. If the inquiry discloses that the patient or relatives are able to pay for the care and treatment of the patient, in whole or in part, an order shall be made

by the board directing the patient or relatives to pay the district for the care and support of the patient a specified sum each week in proportion to financial ability. The district may collect these sums from the estate of the patient or the relatives legally liable for his or her support in the manner provided by law for collection of expenses in the last illness of a deceased person. If the board or its authorized representative finds that the patient or his or her relatives are not able to pay, either in whole or in part, for care and treatment of the patient, the expense shall become a charge on the district to the extent of the inability to pay. In the event of any dispute as to ability to pay, the board shall hear and determine the issue after calling witnesses. Appeals from the final order of the board shall lie to the district court. The substantial evidence rule shall apply. If an indigent patient who is not a resident of the district is admitted to the district's facilities, the district may seek reimbursement from the county of residence of the patient and may sue that county for reimbursement.

SECTION 28. DONATIONS. The board is authorized on behalf of the district to accept donations, gifts, and endowments to be held in trust and administered by the board for purposes and under directions, limitations, and provisions prescribed in writing by the donor that are not inconsistent, in the opinion of the board, with proper management and objectives of the district.

SECTION 29. EXCLUSION OF LAND. (a) At any time before the creation of the district is confirmed at an election as provided in Section 6 of this Act, the board may on its own motion call a hearing on the question of the exclusion of land included in the description in Section 2 of this Act from the district. The board shall give notice of the time and place of a hearing to determine whether land included in the description in Section 2 of this Act should be excluded from the district by publishing notice of the hearing once a week for two consecutive weeks in one or more newspapers with general circulation in the district. The first publication shall appear at least 14 days before the day of the hearing. The notice shall state that any interested property owner may offer evidence in support of or to contest proposed exclusion of land.

(b) Exclusions from the district may be made on the grounds that:

(1) to retain certain land or other property within the district's taxing power would be arbitrary and unnecessary to conserve the public welfare, would impair or destroy the value of the land desired to be excluded, and would constitute the arbitrary imposition of a confiscatory burden;

(2) to retain any given land or other property in the district and to extend to it, either presently or in the future, the benefits of the hospital system would create an undue and uneconomical burden on the remainder of the district; or

(3) the land desired to be excluded already has adequate hospital and medical care facilities.

(c) The board may adjourn the hearing from one day to another until all persons desiring to be heard are heard.

(d) After considering all data and other evidence presented to it, the board shall determine whether the facts justify exclusion of land on grounds stated in Subsection (b) of this section. If the board decides to exclude land, the board shall redefine in the order the boundaries of the district to embrace all land not excluded. A copy of the order excluding land and redefining the boundaries of the district shall be filed in the deed records of Fort Bend County.

SECTION 30. INCLUSION OF LAND. (a) Property owners desiring inclusion in the district of their property that is contiguous to the district or otherwise may file with the board a petition requesting that there be included in the district the land described in the petition by metes and bounds or by lot and block number if there is a recorded plat of the area proposed to be included in the district.

(b) The board may require the petitioners to assume their share of the outstanding bonds, notes, or other obligations and any voted but unissued bonds, notes, or other obligations payable from taxes of the district. The board may require the petitioners to authorize the board to levy a tax on their property in each year while any of the bonds, notes, or other obligations payable from taxation are outstanding to pay their share of the indebtedness.

(c) The petition to add land to the district shall be signed and executed in the manner provided by law for the conveyance of real estate.

(d) The board shall hear and consider the petition and may add to the district the land described in the petition if the board considers it to be to the advantage of the district and if the hospital and medical care facilities of the district are sufficient or will be sufficient to provide hospital and medical care to residents in the land to be annexed.

(e) If the district has bonds payable in whole or in part from taxation that are voted but unissued at the time of an annexation, and the petitioners assume their share of the indebtedness and authorize the district to levy a tax on their property to pay the bonds, the board may issue the voted but unissued bonds even though the boundaries of the district have been altered since the authorization of the bonds.

(f) A petition granted to add land to the district shall be recorded in the office of the county clerk of the county in which the land is located.

SECTION 31. ALTERNATIVE PROCEDURE FOR INCLUSION OF LAND. (a) In addition to the method of adding land to the district described in Section 30 of this Act, defined areas of land may be annexed to the district in the manner set forth in this section.

(b) A petition requesting the annexation of a defined area signed by 25 percent in value of the owners of land in the defined area, as shown by the tax rolls of the county or counties in which the area is located may be filed with the secretary of the board.

(c) The board shall hold a hearing on the petition not less than 30 days from the day of the order calling the hearing.

(d) The secretary shall publish a notice of the time and place of the hearing and describing the area proposed to be annexed in a newspaper of general circulation in the county in which the area proposed to be annexed is located one time at least 14 days before the day of the hearing.

(e) If on the hearing of the petition the board finds that the proposed annexation of the area to the district is feasible and practicable and would be of benefit both to the area and to the district, the board, by order entered in its minutes, may receive the proposed area as an addition to and to become a part of the district. The order adding the proposed territory to the district need not include all of the land described in the petition, if on the hearing, a modification or change is found necessary or desirable by the board.

(f) A copy of the order annexing land to the district shall be recorded in the deed records of Fort Bend County if the land is finally annexed to the district.

(g) After the order is recorded, the area is a component part of the district.

(h) The annexed area shall bear its pro rata share of all bonds, notes, or other obligations or taxes which may be owed, contracted, or authorized by the district.

(i) Before the added area is finally annexed to the district or subject to any part of the bonds, notes, obligations, or taxes authorized before the annexation of the area to the district, the board shall order an election in the district, as enlarged by the annexation, on the question of the assumption of the bonds, notes, obligations, or taxes by the annexed area.

(j) At the same election, the board may also submit a proposition on the question of whether the annexed area should assume its part of the bonds of the district payable in whole or in part from taxes that have been voted previously but not yet issued or sold and the levy of an ad valorem tax on all taxable property within the area annexed along with a tax on the rest of the district for the payment of the bonds. If the election results favorably, the district may issue its voted but unissued tax bonds even though the boundaries of the district have been changed since the original election approving the bonds.

(k) If the district has bonds, notes, or obligations or taxes that are owed, contracted, or authorized at the time an area is annexed or if the district has voted but unissued bonds payable in whole or in part from taxes at the time of an annexation, the board may provide in its order annexing an area to the district that the annexation will not be complete or final unless assumption of the bonds, notes, or other obligations or taxes is approved at an election under this section.

(l) Whenever an election is ordered to be held in the district for the purpose of the assumption of bonds, notes, or other obligations or taxes or the assumption of voted but unissued bonds by reason of the annexation of any area, the election shall be held and notice given as provided for bond elections held by the district.

SECTION 32. STATE APPROPRIATIONS. The support and maintenance of the hospital district created under this Act may never become a charge against or obligation of the State of Texas, nor may any direct appropriation be made by the legislature for the construction, maintenance, or improvement of any of the facilities of the district.

SECTION 33. TAX STATUS OF BONDS. In carrying out the purposes of this Act, the district will be performing an essential public function, and any bonds or notes issued or assumed by it, their transfer and issuance, and any profits made in the sale of the bonds or notes shall be at all times free from taxation by the state or any political subdivision.

SECTION 34. CONSTITUTIONALITY. Nothing in this Act shall be construed to violate any provision of the federal or state constitutions, and all acts performed pursuant to this Act shall be performed in a manner that will conform to those constitutions, whether expressly here provided or not. If any procedure in this Act is finally held by a court of competent jurisdiction to violate either constitution, the board has the power by resolution or order to provide an alternative procedure conforming to the requirements of those constitutions. If any provision of this Act is finally held by a court of competent jurisdiction to be invalid, that holding shall not affect the authorization for the creation of the district or the validity of any other provisions of this Act, and the legislature hereby declares that it would have created the district and enacted the valid provisions of this Act notwithstanding the invalidity of any other provision, and it is intended that this Act shall be severable and shall be construed and applied as if any invalid or unconstitutional section, provision, clause, or award had not been included.

SECTION 35. NOTICE. Proof of publication of the notice required in the enactment of this Act under the provisions of Article IX, Section 9, of the Texas Constitution has been made in the manner and form required by such constitutional provision and provided by law pertaining to the enactment of local and special laws, and that notice is hereby found sufficient to satisfy those requirements.

SECTION 36. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby

suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

The amendment was read and was adopted.

On motion of Senator Jones of Harris and by unanimous consent, the caption was amended to conform to the body of the bill as amended. (29-0)

S.B. 542 (Jones of Harris) Relating to jurisdiction of the Fort Bend County Court at Law. (29-0)

S.B. 555 (Blake) Relating to operation of motor vehicles on property owned or used by water control authorities. (29-0)

S.B. 573 (Farabee) Relating to membership of the Texas Judicial Council. (29-0)

S.B. 583 (Farabee) Relating to hunting turkey in Foard County. (vv)

S.B. 599 (Jones of Taylor) Relating to regulation of podiatrists. (29-0)

C.S.S.B. 606 (Santiesteban) Relating to prepayment of initial year franchise tax. (29-0)

S.B. 618 (Creighton) Relating to interest rate on delinquent taxes.

Senator Creighton offered the following committee amendment to the bill:

Amend **S.B. 618** as follows:

On Page 14, Line 23, substitute the phrase "January 1, 1980" for the phrase "September 1, 1979".

The committee amendment was read and was adopted.

On motion of Senator Creighton and by unanimous consent, the caption was amended to conform to the body of the bill as amended. (29-0)

S.B. 646 (Creighton) Relating to creation of Bowie Water Supply District. (29-0)

S.B. 682 (Moore) Relating to certain documents filed with Secretary of State. (29-0)

S.B. 706 (Moore) Relating to survivorship annuities for members of certain public retirement systems. (29-0)

S.B. 707 (Moore) Relating to death benefits payable under judicial retirement system. (29-0)

S.B. 724 (Jones of Taylor) Relating to investment in transportation companies by certain insurers. (29-0)

H.C.R. 55 (Jones of Harris) Inviting Reverend Jesse Jackson to address a Joint Session of House and Senate.